



# STATE OF CONNECTICUT **NEWS RELEASE**

**Consumer Counsel Mary J. Healey**

**Attorney General Richard Blumenthal**

Wednesday, April 27, 2005

## ***CONSUMER COUNSEL AND ATTORNEY GENERAL ASK DPUC TO OPEN PROCEEDING ON SBC'S ACQUISITION OF AT&T AND VERIZON'S ACQUISITION OF MCI***

Consumer Counsel Mary J. Healey and Attorney General Richard Blumenthal today asked the Department of Public Utility Control ("DPUC") to open a proceeding, including public hearings, to examine the impact on customers from the pending consolidation of the telecommunications industry, including the proposed acquisition by SBC of AT&T and the proposed acquisition by Verizon of MCI.

The Consumer Counsel and Attorney General fear that the decline in competition represented by the proposed acquisitions could have a detrimental effect on customers, and particularly low-income customers who require basic residential telecommunications service at an affordable price. The Consumer Counsel and Attorney General share a further concern that industry consolidation could lead to efforts by major industry players like SBC and Verizon to block the offering by other entities of advanced telecommunications and information services such as voice over the internet protocol ("VOIP") and high-speed broadband.

Based on the above concerns, the Consumer Counsel and Attorney General are seeking for the DPUC to open a proceeding to consider placing conditions on the proposed acquisitions that would (i) protect consumers who value basic telephone service; and (ii) prevent SNET and Verizon from unreasonably interfering with or blocking access by VOIP and broadband providers to telecommunications networks.

"These proposed acquisitions by SBC and Verizon create risks for consumers that the DPUC has a responsibility to mitigate," Healey said. "Connecticut regulators cannot stand by while the old telecommunications monopoly, which was broken up twenty years ago to promote competition and

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innovation, is recreated through industry consolidation. Connecticut has statutory goals of maintaining affordable basic service and promoting an active and competitive market for advanced services. The DPUC must ensure that the proposed acquisitions will be consistent with these goals.”

“XXX,” Blumenthal said.

The proposed acquisitions will also be challenged by consumer advocates and others at the Federal Communications Commission, but the existence of a federal proceeding does not override the necessity for a proceeding in this State. DPUC has thirty days to rule on the Petition for a hearing.

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The Connecticut Office of Consumer Counsel, an independent agency since 1975, is charged to act as the advocate for consumer interests in all matters which may affect Connecticut consumers with respect to public service companies, electric suppliers, and certified telecommunications providers.

<Add similar background information on AG’s office as desired.>

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